

Amendment No. 10 to HB1781

Bunch
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 349*

House Bill No. 1781

By deleting all language following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "six percent (6%)", and by substituting instead the language "six and one-fourth percent (6.25%)".

SECTION 2. Tennessee Code Annotated, Section 67-6-203(a), is amended by deleting the language "six percent (6%)", and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 3. Tennessee Code Annotated, Section 67-6-204, is amended by deleting the language "six percent (6%)" wherever it appears in subsections (a) and (c), and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 4. Tennessee Code Annotated, Section 67-6-205(a), is amended by deleting the language "six percent (6%)", and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 5. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following new subsection:

() Notwithstanding the provisions of this section to the contrary, all revenue generated from the increase in the rate of the state sales and use tax pursuant to the provisions of this act shall be deposited in the state general fund and no funds generated from such rate increase shall be distributed pursuant to the provisions of (a) through (f) of this section.

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SECTION 6. Tennessee Code Annotated, Section 67-6-702, is amended by deleting subsection (a)(1) in its entirety and by substituting instead the following:

(a) (1) Any county by resolution of its county legislative body or any incorporated city or town by ordinance of its governing body is authorized to levy a tax on the same privileges subject to this chapter as the same may be amended, which are exercised within such county, city or town, to be levied and collected in the same manner and on all such privileges but not to exceed two and three-fourths percent (2 3/4%); provided, that the tax levied shall apply only to the first seven thousand five hundred dollars (\$7,500) on the sale or use of any single article of personal property. Notwithstanding any provision of this chapter to the contrary, all revenue generated from the tax levied in this subdivision shall be allocated as follows:

(A) revenue generated from the first one thousand six hundred dollars (\$1,600) on the sale or use of any single article shall be distributed to the local government levying the tax as otherwise provided in this part, and

(B) all other revenue generated on the sale or use of any single article in excess of one thousand six hundred dollars (\$1,600) shall be deposited in the state general fund.

SECTION 7. It is the legislative intent that the budget for the 2001-2002 fiscal year:

1) That \$160,400,000 of funds, which are characterized as recurring, received by the state pursuant to the master settlement

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agreement entered into by Tennessee and other states, United States territories and possessions and participating tobacco manufacturers (the "Tobacco Settlement Agreement"), dated November 23, 1998, be appropriated to the TennCare Program;

2) That teachers be provided with liability insurance at state expense;

3) That growth in tax revenue, which is not a result of increases in tax rates, in excess of revenue received during the 2000-2001 tax year be appropriated in fiscal year 2001-2002;

4) That the state of Tennessee will lose revenue as a result of changes in the federal law on death and inheritance taxes; and

5) That state employees, teachers, and employees and faculty at institutions of higher education receive a three percent (3%) salary increase.

SECTION 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. Sections 1 through 6 of this act shall take effect August 1, 2001, the public welfare requiring it. All other sections of this act shall take effect upon becoming a law, the public welfare requiring it.

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